

You Can Protest the Proposed Rate Adjustment

You can use the form in this notice to register your protest against the proposed water rate adjustment. You can also choose to write a letter to the City, following the requirements below, or appear at the public hearing listed on the front cover of this notice to submit your written protest.

How Can I Participate?

Interested parties can comment on the proposed rates. California Constitution Article XIII D section 6 (Proposition 218) prohibits the City from implementing the new rates if a majority of the affected property owners or tenants file written protests opposing the rates before the end of the public hearing. Only one written protest per affected property will be counted towards the majority protest. Written protests must be received by the City Clerk, Mail Station No. 2P, City Administration Building, 202 C Street, San Diego, CA 92101, before the end of the public hearing which is scheduled for 2:00 p.m., January 24, 2011. Each protest must identify the affected property (by street address or Assessor's Parcel Number) and include the signature of the property owner or utility customer of record. Email protests will not be accepted. Although oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest, the Mayor and City Council welcome input from the community during the public hearing.

Some customers will receive multiple notices In order to ensure that all San Diegans are informed about possible water rate increases, these Notices are being sent to all City of San Diego water customers. If you are responsible for more than one bill, you will receive more than one Notice.

USE THIS FORM TO PROTEST THE PROPOSED WATER RATE INCREASE

I _____ protest this proposed increase to water rates.
(Print first and last name)

Property Address or
Assessor's Parcel Number: _____

Signature: _____

If you wish to use this form as your protest, please fill out and mail in a stamped envelope to:
City Clerk, City Administration Building, 202 C Street, MS 2P, San Diego, CA 92101.

This material is available in alternative formats upon request to accommodate persons with disabilities or non-English speakers. To order information in an alternative format, or to arrange for a sign language or oral interpreter at the **January 24, 2011** hearing, please call the Clerk's office on or before January 14, 2011 at (619) 533-4000 (voice) or (619) 236-7012 (TTY).



THE CITY OF SAN DIEGO

Notice of Public Hearing

The San Diego City Council will hold a public hearing to consider a proposed water rate increase as a result of an increase by the County Water Authority for the wholesale cost of water.

Interested parties are invited to attend. Read inside to learn more.

January 24, 2011
2:00 p.m.
City Administration Building
202 "C" Street, 12th Floor
Council Chambers

Notice of Public Hearing Information Inside

THE CITY OF SAN DIEGO
202 C Street, MS 2P
San Diego, California 92101
Ang kasulatan na ito
ay matatagpuan din sa
www.sandiego.gov, sa wikang Tagalog.
Este Material esta
disponible en Espanol en
la pagina electronica:
www.sandiego.gov



PERMIT NO. 9
SAN DIEGO, CA
U.S. POSTAGE PAID
STANDARD
PRESORTED

PROPOSED WATER SERVICE RATES AND CHARGES

The San Diego City Council will be holding a public hearing to consider proposed adjustments in water rates. The meeting will be held January 24, 2011 at 2:00 p.m. At this hearing the City Council will consider the recommendation to increase water rates to recover the increased cost charged by the San Diego County Water Authority for wholesale water.

PROPOSED NEW WATER RATES BASED ON COUNTY WATER AUTHORITY ACTION

On June 24, 2010 the San Diego County Water Authority (CWA) voted to increase several of the rates it charges for imported water beginning on January 1, 2011. These rate increases apply to all county water agencies, including the City. Because local water supplies are very limited, the City must buy approximately 85-90% of the water it supplies to its customers from the CWA. Because the City is required to recover the costs for water purchases, it must “pass through” these increased charges to its own customers.

The CWA based its increases on the costs for its own infrastructure, operations and maintenance. The CWA increases also reflect the cost it pays to purchase water from the region's largest water wholesaler, the Metropolitan Water District of Southern California. The CWA has approved increases to both its fixed infrastructure access charge and its commodity charges, which are based upon the amount of water purchased. These rate increases do not include any expenditure for City infrastructure, operations or maintenance.

Proposed Fee Increases

There are two parts to water rates charged by the City of San Diego to you as a customer. These are the Base Fee and the Commodity Fee. The Base Fee is levied to recover the fixed charges associated with the operation and maintenance of the water system and includes charges paid by the City to access the CWA water supply infrastructure. The Commodity Fee is levied to recover the variable costs based on the amount of water used by water system customers. The proposed rate increase will affect both the Base Fee and the Commodity Fee.

Proposed Base Fee Rate Adjustments Due to CWA “Pass Through”

The following table illustrates how the proposed water rate increase will affect the Base Fee for water system customers. This fee is applied to each meter equivalent and increases as the meter size increases. The figures included in the table are based on charges per month.

AN IMPORTANT NOTE: More than 90 percent of the Single Family Residential customers have meter sizes less than 1 inch. That means that the vast majority of Single Family Residential customers will see their Base Fee rise by 47 cents per month. If you need assistance to determine your meter size, please call the City's Public Utilities Customer Service Division at (619) 515-3500.

PROPOSED CWA PASS THROUGH INCREASE - MONTHLY BASE FEE (BASED ON METER SIZE)

BASE FEES Meter Size	Current Fees	Anticipated Increase	Rate as of March 1, 2011
5/8 Inch	\$18.86	\$0.47	\$19.33
3/4 Inch	\$18.86	\$0.47	\$19.33
1 Inch	\$27.66	\$0.80	\$28.46
1 1/2 Inch	\$47.79	\$1.55	\$49.34
2 Inch	\$72.95	\$2.49	\$75.44
3 Inch	\$132.04	\$4.70	\$136.74
4 Inch	\$216.30	\$7.85	\$224.15
6 Inch	\$425.08	\$15.65	\$440.73
8 Inch	\$676.59	\$25.05	\$701.64
10 Inch	\$970.89	\$36.05	\$1,006.94
12 Inch	\$1,808.47	\$67.35	\$1,875.82
16 Inch	\$3,150.36	\$117.50	\$3,267.86

WATER RATES REDUCED IN SEPTEMBER : On December 3, 2008, the San Diego City Council voted to initiate a Water Purification Demonstration Project to determine the feasibility of using advanced treated recycled water to augment local drinking water supplies. On January 1, 2009, a temporary water rate increase of 3.08% was applied to all customer classes and tiered consumption rates equally in order to fund this project. This temporary rate increase has been eliminated effective September 1, 2010. The total project cost is \$11,811,000

PROPOSED COMMODITY FEE ADJUSTMENTS DUE TO CWA “PASS THROUGH”

In addition to an increase in the Base Fee for fixed charges, the CWA “pass through” costs proposed by the City will also raise the Commodity Fee. The City is proposing to raise Commodity Fees by 5.92% for each hundred cubic feet (HCF) of water consumed within the City's tiered water rate system. A hundred cubic feet of water equals approximately 748 gallons.

PROPOSED CWA PASS THROUGH INCREASE - MONTHLY COMMODITY FEE (BASED ON WATER USAGE)

Customer Classification	Current Fees	Anticipated Increase	Rate as of March 1, 2011
Single Family Residential			
Tier 1 (First 7 HCF used)	\$3.410	\$0.202	\$3.612
Tier 2 (Second 7 HCF used)	\$3.698	\$0.219	\$3.917
Tier 3 (Usage above 14 HCF)	\$4.152	\$0.246	\$4.398
Multi-Family Dwelling	\$3.698	\$0.219	\$3.917
Commercial	\$3.547	\$0.210	\$3.757
Industrial	\$3.547	\$0.210	\$3.757
Irrigation	\$3.790	\$0.224	\$4.014
Temporary Construction	\$3.790	\$0.224	\$4.014

NOTE: CURRENT FEES REFLECT THE SEPTEMBER 1, 2010 REDUCTION.

Example:

When combined with new Base Fees, the increased Commodity Fee will effectively raise total water rates for a typical Single Family Residential customer using 14 HCF by approximately 4.97% (\$3.41 per month). The exact amount of increase will vary among customers because of the varying levels of water consumption.

EFFECT OF PROPOSED CWA WATER RATE INCREASES ON A TYPICAL SINGLE FAMILY RESIDENTIAL MONTHLY BILL (14 HCF USAGE)

Single-Family Residential	Current Fees	Projected as of March 1, 2011		
<u>Base Fee</u>				
3/4 inch meter	\$18.86	\$19.33		
<u>Commodity Fee*</u>				
Tier 1 (1-7 HCF)	\$23.87	\$25.28		
Tier 2 (8-14 HCF)	\$25.89	\$27.42		
Total	\$68.62	\$72.03	Increase (\$)	\$3.41
			Increase (%)	4.97%

*Assumes 7 HCF used per rate tier.

NOTE: To help promote conservation, the City uses a tiered billing structure that increases the costs for water used by residential customers. The first tier rate applies to water usage up to 7 HCF per month. The second, higher tier rate applies to all water used over 7 HCF and up to 14 HCF per month. The third, highest tier rate applies to all water used in excess of 14 HCF per month.

Please note that the City bills its Single Family Residential customers bi-monthly. This means each water bill these customers receive includes charges for two months of service.

More information about water rates is available at www.sandiego.gov/water or by calling (619) 515-3500.

and the temporary rate increase raised \$10,550,477 in revenue. The remaining \$1,260,523 in project costs will be reimbursed by California Proposition 50 and U.S. Bureau of Reclamation grants. Current fees shown above include the effect of this reduction.

For more information about the Indirect Potable Reuse Demonstration Project, please visit www.sandiego.gov/water and click on the Water Reuse icon.